

## Message Text

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12

ORIGIN COME-00

INFO OCT-01 ARA-10 EA-10 ISO-00 EB-07 /028 R

DRAFTED BY COM/BIC/OED/MDPD/DCLU/LW

APPROVED BY EB/OCA/CM/JSIMMONS

COM/BIC/OED/MEPD/JMSANDS

COM/BIC/OIM (INFO COPY)

ARA/NC/TSONANDRES (INFO)

EA/J/DSMITH (INFO)

----- 083091

R 260053Z JUL 75

FM SECSTATE WASHDC

TO AMEMBASSY CARACAS

INFO AMEMBASSY TOKYO

UNCLAS STATE 176664

E.O. 11652: N/A

TAGS: BEXP, VE

SUBJECT: GURI HYDROELECTRIC PROJECT, TURBINE BID RESULTS

1. ALLIS-CHALMERS (A-C) REPORTED TO COMMERCE THE BID RESULTS FROM THE PUBLIC BID OPENING HELD IN CARACAS ON JULY 15. THE PRICES QUOTED ARE FOR THE VARIOUS SUPPLY OPTIONS FOR THE 610 MW FRANCIS-TYPE TURBINES. IN ADDITION TO THE FOUR AND TEN UNIT QUOTES, THE BIDDERS ALSO WERE REQUIRED TO QUOTE ON SUPPLIES OF FIVE AND SEVEN UNITS.

---	4 UNITS	10 UNITS
---	BIDDER	U.S. DOLLARS U.S. DOLLARS

HITACHI/TOSHIBA (JAPAN)	18,275,374	45,119,130
A-C/VOITH (U.S./GERMAN)	32,362,366	82,123,401
ESCHER WYSS (SWISS/GERMAN)	32,470,093	77,036,627
DOMINION (CANADA)	38,104,734	97,894,283
ALSTHOM (FRANCE)	42,557,023	106,751,957
NOHAB (SWEDEN)	46,973,152	112,225,123

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2. ALLIS-CHALMERS COMMENTED THAT THE JAPANESE BID PRICE WOULD NOT EVEN COVER THE COST OF MATERIALS (PLATE STEEL, CASTINGS, FORGINGS, ETC.) OF THE A-C-DESIGNED TURBINE.

A-C REPORTED THAT THE JAPANESE BID PRICE WAS A GREAT SURPRISE TO THE OTHER BIDDERS, TOO, AND SINCE THE WORLD PRICE LEVEL OF THIS TYPE OF EQUIPMENT IS FAIRLY WELL ESTABLISHED, THIS SUBJECT WAS WIDELY DISCUSSED AMONGST THE BIDDERS. HAS EMBASSY HEARD THROUGH ITS SOURCES COMMENTS REGARDING THE JAPANESE BID.

3. NOTWITHSTANDING THE WIDE GAP BETWEEN THE JAPANESE BID AND THE A-C/VOITH JOINT BID, A-C INTENDS TO AGGRESSIVELY CONTINUE TO PURSUE THIS CONTRACT. (FYI: 75 PERCENT OF THE A-C/VOITH BID IS U.S. CONTENT. END FYI.) THE NEXT STEP FOR A-C IS TO REVIEW THE OTHER TECHNICAL PROPOSALS WHEN HARZA AND EDELCA MAKE ALL THE PROPOSALS AVAILABLE FOR BIDDERS REVIEW. A-C UNDERSTANDS THAT THIS WILL TAKE PLACE WITHIN THE NEXT TWO WEEKS. EMBASSY MAY WISH TO CONFIRM THIS INFORMATION. KISSINGER

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**TAGS:** BEXP, VE  
**To:** CARACAS  
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